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REPORT

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BOSTON'S WORK FORCE DECLINES FOR SECOND CONSECUTIVE YEAR

For the second consecutive year, the City of Boston reduced its total work force, reflecting the City's limited revenue growth, primarily due to cuts in state aid. The number of city-funded employees in Boston decreased by 92 positions or 0.5% over the last year from January, 1990 to January, 1991. Positions are stated in full-time equivalencies. The total city-funded work force in Boston as of January 1, 1991, consisted of 19,181 positions. In the seven years since January, 1984, Boston's payroll has increased by 570 positions or 3.1%. Expected cuts in state aid and departmental receipts in fiscal 1992 will require, through attrition and layoffs, the elimination of this increase and the reduction of several hundred more employees beginning this spring. Employee reductions will be a primary means of cutting spending because personal service expenditures represent 65% of this year's departmental appropriations. The Administration will need to hold the line on salary and benefit increases in collective bargaining negotiations this year. Expensive provisions in existing contracts that prevent a more efficient utilization of resources, such as the 4-2 work week for police officers, should be renegotiated.

During the seven years of the Flynn Administration, personal service expenditures have increased by an average rate of 7.7%. The total number of city and county positions, excluding schools, on the payroll as of January 1, 1991, was 34 less than when Mayor Flynn began office. That is due, principally, to the reduction of 346 hospital positions. External state and federal grant funds support an additional 1,605 positions as of January, 1991, an increase of 167 since 1984.

CITY OF BOSTON PERSONNEL SUMMARY (FTE's)

CITY FUNDS	1/1/84	1/1/90	1/1/91	CHANGE 1/84-1/91	CHANGE 1/90-1/91
CITY DEPARTMENTS	7,986.0	8,398.2	8,264.0	278.00	(134.20)
HEALTH & HOSPITALS	3,700.0	3,355.7	3,353.7	(346.33)	(2.03)
SUFFOLK COUNTY	613.0	611.0	647.5	34.50	36.50
SUB-TOTAL	12,299.0	12,364.9	12,265.2	(33.83)	(99.73)
SCHOOL DEPARTMENT	6,312.0	6,908.5	6,916.0	604.00	7.50
TOTAL INTERNAL	18,611.0	19,273.4	19,181.2	570.17	(92.23)
GRANT FUNDS					
CITY/COUNTY	401.0	573.3	575.0	174.00	1.70
SCHOOLS	1,036.8	1,018.8	1,029.6	(7.20)	10.80
TOTAL EXTERNAL	1,437.8	1,592.1	1,604.6	166.80	12.50
GRAND TOTAL	20,048.8	20,865.5	20,785.8	736.97	(79.73)

The reduction of 92 positions in 1990 is far less than the cut of 557 positions in 1989. In light of the known revenue problems facing the City next year, the Flynn Administration should have been more aggressive in reducing its personnel expenditures last year and continuing that effort into the beginning of this year. In the first two months of 1991, the City's payroll, excluding schools, has actually increased by 68 employees as new police and fire recruits were added and the Jail staff expanded.

CITY DEPARTMENTS

The city departmental work force decreased to 8,264 positions as of January, 1991, a cut of 134 since January, 1990. However, this represents an increase of 278 since January, 1984. City departments include all line departments, agencies

and divisions, excluding the Health and Hospitals, School and County departments. In the last year, most departments either declined slightly or maintained the same level of positions. The cuts in the Police and Fire Departments occurred because the new classes of recruits were not added to offset retirements until February. With the classes, the payrolls of the Police and Fire Departments increased by 24 and

50 respectively from January 1, 1990 to March 1, 1991. Two other departments showing large decreases were Parks (-23) and Public Works (-20), which were due to attrition as these departments prepare for smaller appropriations next year. Thirteen city departments increased staff over the last year. The Transportation Department showed the largest increase of 25, due to the addition of meter attendants as ticketing of vehicles in the neighborhoods expanded.

Over the last seven years, substantial staff increases occurred in the departments of: Police (+195), Transportation (+150), Fire (+73), Community Schools (+117), Public Facilities (+76), and the Library (+68). The police and fire increases reflect the high priority the Flynn Administration has placed on public safety. The increase in Community Schools represents an expansion of programs as well as the absorption of some functions previously provided by the Parks Department. The Public Facilities Department increase is due to the establishment of the Property Disposition Division and the Department's expanded role in the City's capital building program. The Library Department increased substantially in an effort to keep the branch libraries open and expand services to the public.

Five departments registering substantial decreases since 1984 include: Assessing (-66), Public Works (-61), Real Property (-59), and Parks (-38). The Real Property Department experienced a decrease due to the contracting out of services such as the cleaning of City Hall and efforts to streamline its work force. The Assessing Department reduction is due to the increased computerization of the revaluation operations.

Since 1984, several departments and divisions have been eliminated or consolidated to reflect new policy initiatives or change in funding source. In most cases, small departments were affected and employees were transferred to other payrolls. For example, in 1987, the Boston Redevelopment Authority (BRA) no longer required city funds, relying instead on its own fees and lease revenue. That resulted in a transfer of 117 employees off of the city payroll. Thus, the net city departmental increase of 278 would have been as much as 395 if not for the loss of these BRA employees.

HEALTH & HOSPITALS

As of January, 1991, the hospital payroll consisted of 3,354 positions. This is a decrease of only two positions over last year and a decrease of 346 positions since January, 1984. While the total hospital positions remained stable over the last year, individual

EMPLOYEE CHANGES IN THE TEN LARGEST CITY DEPARTMENTS

CITY DEPARTMENTS	1/1/84	1/1/90	1/1/91	CHANGE 1/84-1/91	CHANGE 1/90-1/91
1 POLICE DEPARTMENT	2,448.0	2,707.0	2,643.0	195.0	(64.0)
2 FIRE DEPARTMENT	1,715.0	1,807.5	1,788.0	73.0	(19.5)
3 LIBRARY DEPARTMENT	497.0	567.3	564.7	67.7	(2.7)
4 PUBLIC WORKS	624.0	583.0	563.0	(61.0)	(20.0)
5 TRANSPORTATION	306.0	430.5	455.5	149.5	25.0
6 PUBLIC FACILITIES	236.0	307.0	312.0	76.0	5.0
7 INSPECTIONAL SERVICES	279.0	246.0	247.0	(32.0)	1.0
8 COMMUNITY SCHOOLS	127.0	243.5	243.5	116.5	0.0
9 PARKS & RECREATION	265.0	250.0	227.5	(37.5)	(22.5)
10 ASSESSING	197.0	135.5	131.5	(65.5)	(4.0)

HEALTH & HOSPITAL PERSONNEL

POSITION	1/1/84	1/1/89	1/1/90	1/1/91	CHANGE 1/84-1/91	CHANGE 1/90-1/91
TECH/SPECIALISTS	499.5	525.7	492.3	510.4	10.9	18.1
REGISTERED NURSES	591.5	704.7	726.9	686.3	94.8	(40.6)
LICENSED PRAC. NURSES	254.0	162.1	145.9	149.0	(105.1)	3.0
ORDERLIES	444.5	376.3	339.8	339.9	(104.6)	0.1
ALL OTHERS	1,910.5	1,879.9	1,650.8	1,668.2	(242.3)	17.3
=====	=====	=====	=====	=====	=====	=====
TOTAL	3,700.0	3,648.8	3,355.7	3,353.7	(346.3)	(2.0)

categories within the Hospital Department have shown significant changes. The reduction of 41 Registered Nurses (RN's) was due to two factors: (1) a reduction in the number of RN's not involved in direct patient care (i.e. nurse managers) and (2) a high turnover rate which has lead to an expensive alternative of contracting with private agencies.

Since 1984, the Hospital Department registered the largest employee reduction (-346) of any city department as a result of its efforts to prepare for the building of a new, but smaller Boston City Hospital. Most of this reduction occurred from 1989 to 1990, as two hospital buildings were demolished, requiring fewer workers. The Hospital Department started a year before any other department to reduce its work force by initiating an early retirement incentive plan as well as a hiring freeze. Registered Nurses have increased as the Department has reduced its staff of Licensed Practical Nurses. To help fund the collective bargaining contracts for nurses and technicians, the Department made cuts in clerical and orderly positions.

BOSTON PUBLIC SCHOOLS

The Boston Public Schools (BPS) increased to 6,916 city-funded positions, as of January, 1991, an increase of eight over the prior year but an increase of 604 since 1984. That represents the largest payroll expansion of any department. Over

the last year, regular education teachers showed the largest decrease (-95) while special education teachers recorded the largest increase (+43). This reflects a growing trend in the BPS, a shift from regular education to special education in all areas of operations.

That same shift, on a larger scale, occurred over the last seven years with teachers and aides. Special education teachers increased by 232 while regular education teachers decreased by 171. Instructional support positions increased by 441 since 1984, primarily due to the growth of special education aides.

BOSTON PUBLIC SCHOOLS PERSONNEL SUMMARY

CATEGORY	1/1/84	1/1/90	1/1/91	CHANGE 1/84-1/91	CHANGE 1/90-1/91
REGULAR TEACHERS	2,289.5	2,213.0	2,118.5	(171.0)	(94.5)
SPECIAL TEACHERS	695.5	884.5	927.5	232.0	43.0
BILINGUAL TEACHERS	389.0	472.5	485.0	96.0	12.5
OTHER TEACHERS	281.0	411.0	400.5	119.5	(10.5)
NON-ACADEMIC	741.5	652.0	684.0	(57.5)	32.0
MAINTENANCE/SUPERVISORY	563.5	553.5	577.5	14.0	24.0
INSTRUCTIONAL SUPPORT	748.0	1,173.0	1,189.0	441.0	16.0
ADMINISTRATORS	464.0	452.0	446.0	(18.0)	(6.0)
PROFESSIONAL SUPPORT	140.0	97.0	88.0	(52.0)	(9.0)
TOTAL SCHOOL INTERNAL	6,312.0	6,908.5	6,916.0	604.0	7.5

SUFFOLK COUNTY

As of January 1, 1991, the County work force consisted of 648 positions, an increase of 37 over the last year and 35 since 1984. In 1990, the Jail recorded the largest employee increase of any department in the City due to the need to staff for the increased inmate population and the new Nashua Street Jail. Since 1984, the staffing of the Jail resulted in an increase of 160 while the House of Corrections increased by 86. The net change of 35 positions since 1984 hides two major shifts in county employees. First, in 1988 the Commonwealth of Massachusetts assumed responsibility for the courthouses resulting in a transfer of 170 positions from county to state payrolls. Second, the opening of the new Nashua Street Jail brought an additional 160 positions on line. Without the employee transfer to the State, the County work force would have increased by at least 200 positions since 1984.

COUNTY DEPARTMENT PERSONNEL SUMMARY

COUNTY DEPARTMENTS	1/1/84	1/1/90	1/1/91	CHANGE 1/84 - 1/91	CHANGE 1/90 - 1/91
JAIL	148.0	284.5	307.5	159.5	23.0
CORRECTIONS	194.0	268.5	280.0	86.0	11.5
REGISTRY OF DEEDS	58.0	52.0	54.0	(4.0)	2.0
REAL PROPERTY, BUILDINGS	19.0	0.0	0.0	(19.0)	0.0
COURTHOUSE COMMISSION	188.0	0.0	0.0	(188.0)	0.0
OTHERS	6.0	6.0	6.0	0.0	0.0
TOTAL COUNTY INTERNAL	613.0	611.0	647.5	34.5	36.5

EXTERNAL FUNDS

City employees that are funded through state and federal grant programs represent approximately 7.7% of the City's entire work force. The School Department, due primarily to its remedial Title I teachers and its lunch monitors, accounts for 1,030 or 64.2% of the total grant funded employees. The balance of 575 positions is dispersed among other city and county departments. Over the last year, total grant funded employees in the City increased by 13, of which the School Department accounted for 11. Since 1984, grant funded positions have increased by 167. Most of this expansion is attributable to the state funding for modular units for the House of Corrections and use of the Deeds Excise Tax for the Jail as both departments wrestle with inmate expansion.

PERSONAL SERVICE COSTS

The salary costs for city employees increased by an average annual rate of 7.7% since 1984. In dollar terms, this represents an increase from \$433.8 million in fiscal 1984 to \$721.8 million in fiscal 1991. From fiscal 1990 to fiscal 1991, personal service expenditures increased by 4.4% despite the reduction of employees during this time. The largest increase in personal service expenditures occurred in fiscal years 1987, 1988 and 1989, with increases of 17.2%, 12.9% and 9.7% respectively. These increases reflect the growth in employee levels, generous collective bargaining agreements and an increase in overtime expenditures. Salary expenses have grown as a share of total departmental spending from 62.4% in fiscal 1984 to 65.1% in fiscal 1991. The table below summarizes personal service costs since fiscal 1984.

PERSONAL SERVICE EXPENDITURES								
FIGURES IN 000'S								
	FISCAL 1984	FISCAL 1985	FISCAL 1986	FISCAL 1987	BUDGET FISCAL 1988	FISCAL 1989	FISCAL 1990	FISCAL 1991
CITY	\$192,173	\$187,671	\$193,503	\$226,418	\$260,276	\$283,845	\$300,655	\$311,915
HOSPITALS	69,323	70,302	75,812	84,123	96,341	110,351	113,340	120,843
SCHOOL	159,699	179,838	183,276	219,548	242,123	266,288	258,497	265,650
COUNTY	12,541	13,088	13,566	16,121	17,721	15,612	18,769	23,426
TOTAL	\$433,736	\$450,899	\$466,157	\$546,210	\$616,460	\$676,097	\$691,261	\$721,834
AS % OF TOTAL	62.4%	63.2%	61.6%	63.7%	65.3%	65.6%	64.0%	65.1%
PRIOR YEAR CHANGE	8.3%	4.0%	3.4%	17.2%	12.9%	9.7%	2.2%	4.4%

CONCLUSION

Since fiscal 1984, changes in the City's work force have tended to reflect the City's revenue changes. The large revenue loss expected in fiscal 1992 from the state aid cut and the City's use of one-time revenues this year will force reductions in payroll that may exceed 1,000 positions. In light of this situation, the Flynn Administration should have been more aggressive in reducing personnel expenditures last year and continuing that effort into the beginning of 1991. Personnel expenditures will not drop proportionally as the City's payroll decreases because of generous salary and benefit increases negotiated in the past two contracts.

The contracts of most city employees expired on June 30, 1990. In part, in order to end this year without an operational deficit, the Flynn Administration pulled salary raises off the table in current contract negotiations. The City's fiscal situation dictates that no salary or benefit increases can be negotiated this year for any collective bargaining contract. To do so would force cuts in services beyond what already will be required due to the loss of revenue. The City has been very generous in past contracts but must hold the line this year. Contracts should not be negotiated that "back load" costs by agreeing to a small or no increase in the first year but a large increase in the last year of the contract. The Administration should renegotiate expensive provisions of existing contracts that prevent a more efficient utilization of resources. A prime example is the 4-2 work week for police officers, which gives each officer an additional 17 paid days off. Presently, Boston's revenue picture is uncertain for the next few years as the State currently has no revenue sharing plan. Committing to salary and benefit increases in fiscal 1992 and beyond would not be prudent at this time.